Polk County, Iowa

Impact of HF 697

Comments by: Angela Connolly, Polk County Board of Supervisors

1. When fully implemented, HF 697 would reduce Polk County's tax base by $4 billion and decrease our tax revenues by $21 million compared to current law.
2. Polk County has historically relied upon this tax base increase to keep pace with ongoing operational costs without raising the levy rate; With the exception of a debt service increase to finance a new jail, Polk County has successfully maintained or lowered its levy rate for the past 17 years.
3. If HF 697 is implemented, our tax base five years from now will remain basically unchanged from today's tax base, forcing us to choose between service reductions and layoffs or increased tax rates.
4. To maintain our current service level, we would need to increase our tax rate by 20%, and this would fall on the backs of homeowners. Today, an owner of a $100,000 home pays $300/year. Five years from now, an owner of a $100,000 home would pay $400. At the same time a homeowner is seeing a 30% tax increase, a commercial property is receiving a 10% tax break.
5. If we managed the revenue shortfall through service reductions, 250 employees would be without jobs. Vital services to seniors and our most vulnerable citizens would need to be scaled back.
6. This loss to our tax base is particularly crippling when taken in conjunction with other economic factors:
    a. Interest earnings are down $5 million from prior years
    b. Assessed valuations in our downtown core are anticipated to drop 30%
    c. Demand for social services is up
7. We recognize the need to address commercial and industrial taxation, but ask that local governments and our citizens not be made to sacrifice all that they have worked so hard to maintain.